THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

W.P.No.23263 of 2005

Date:31.10. 2005

V.Mallikarjuna Rao.

--------PETITIONER

The Vice Chairman and Managing Director.

---------RESPONDENT

ORDER:

The petitioner is a Transport Contractor with the respondent for the year 2003-04, for transporting essential commodities from the Food Corporation of India godowns to the Stock Points of the Civil Supplies Corporation. He claims to have executed the contract as per the terms. It is stated that the District Manager has issued certificate to the effect that the petitioner executed the contract properly and there are no dues on 04.11.2004. The respondent issued a notice, dated 10.10.2005, requiring the petitioner to deposit a sum of Rs.42,66,821/-, together with interest at 15% per annum. It was stated that the petitioner had deviated from the identified economic routes and thereby, claimed and received the said amount, contrary to the movement orders. The petitioner contends that the impugned notice is violative of principles of natural justice and that the liability has been fastened upon him, without issuing any show cause notice.

Heard the learned counsel for the petitioner and the learned Standing Counsel for the Corporation.

It is not in dispute that the petitioner was a Transport Contractor for

transporting essential commodities from one place to other in the District for the year 2003-04. The details of work of the contract are provided for in the agreement itself. The petitioner has filed 'no dues certificate', dated 04.11.2004, said to have been issued by the District Manager. In the impugned notice, the respondent has determined the liability of the petitioner at Rs.42,66,821/-. It is not a show cause notice, but a demand notice. Determination of liability without ascertaining the views of the affected person is contrary to law and it cannot be sustained. If the respondent was of the view that the petitioner was liable to pay any amount, he was under obligation to issue notice to the petitioner, duly supplying the relevant particulars. Fastening liability, straight away through a demand notice, cannot be sustained in law. The present notice can be treated as a show cause notice, and in case the petitioner demands the particulars of the alleged deviations, the respondent shall be under obligation to provide the same.

Hence, the writ petition is disposed of, directing that the notice, dated 10.10.2005, shall be treated as a show cause notice. If the petitioner requires any particulars to be furnished, the respondent shall comply with the requirement, within a period of one week form the date of filing such representation. The petitioner shall submit his explanation/reply within a period of two weeks from the date of receiving such material. Further, it shall be open to the respondent to pass appropriate orders in accordance with law. There shall be no order as to costs.

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31.10.2005

Note: Issue C.C. on 04.10.2005

(B/o)

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